

Message Text

UNCLASSIFIED

PAGE 01 BOGOTA 01585 181512Z
ACTION ARA-10

INFO OCT-01 ISO-00 EB-08 /019 W
-----181546 095704 /43

R 172122Z FEB 77
FM AMEMBASSY BOGOTA
TO USDOC WASHDC
INFO SECSTATE WASHDC 9969

UNCLAS BOGOTA 1585

E.O. 11652:N/A
TAGS: BENC, ENERG, CO
SUBJ: PETROCHEMICAL TRADE MISSION

REF: 76 BOGOTA 3432, 76 BOGOTA 12307, 76 BOGOTA A-101,
USDOC 2490

1. WHILE THE LONG TERM OUTLOOK FOR THE COLOMBIAN PETRO-CHEMICAL INDUSTRY IS FAVORABLE, THERE ARE A NUMBER OF FACTORS THAT HAVE REDUCED THE ONCE VERY BRIGHT HOPES FOR THE NEAR TERM. AS REPORTED IN THE REFERENCED TELEGRAMS AND AIRGRAM, A NUMBER OF MAJOR PETROCHEMICAL PROJECTS HAVE BEEN CANCELED OR POSTPONED. THE STATE OWNED PETROLEUM COMPANY, ECOPETROL, HAS CANCELED MOST OF ITS MAJOR PETROCHEMICAL PROJECTS.

THE TUMACO REFINERY AND RELATED AROMATICS PLANT, THE CALI DMT PLANT, AND THE DOW POLICOSA HDPE PROJECT HAVE BEEN CANCELED OR POSTPONED INDEFINITELY. THE EXPANSION OF THE CARTAGENA REFINERY IS AWAITING IDB FINANCING. THE ENGINEERING IS ALREADY COMPLETED AND THE EQUIPMENT BIDDING WILL BE CONDUCTED IN ROME. THE BALANCE UNIT AND THE BARRANCABERMEJA OPTIMIZATION PLANT ARE GOING FORWARD AND MOST OF THE EQUIPMENT HAS ALREADY BEEN PURCHASED. SIMILARLY THE EQUIPMENT FOR THE ETHYLENE AND POLIETHYLENE PLANTS HAVE BEEN PURCHASED OR WILL BE PURCHASED BY MID-YEAR. THE FERTICOL FERTILIZER PLANT IS

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BOGOTA 01585 181512Z

STILL UNDER STUDY AND THE CENTRAL ZONE REFINERY IS IN LIMBO.

2. TWO MAJOR PROJECTS WHICH ARE LIKELY, THE GUAJIRA GAS RELATED LNG AND AMMONIA PLANTS, ARE IN THE PROJECT PROMOTION STAGE. COLOMBIA IS LOOKING FOR INVESTORS, AND WHEN AND IF FOUND, THE ENGINEERING AND DESIGN WILL

PROBABLY BE PROVIDED BY THE INVESTOR OR CONTRACTED DIRECTLY BY THE INVESTORS. IT WILL BE DIFFICULT TO ATTACK THESE PROJECTS BY A TRADE MISSION BECAUSE THE CRITICAL DECISIONS MAY ALREADY HAVE BEEN MADE BY AUGUST, OR MAY STILL BE INDIEFINITE.

3. THE ABOVE DOES NOT MEAN THAT A TRADE MISSION IS NOT JUSTIFIED, IF THE MISSION IS TRAVELING TO A NUMBER OF OTHER COUNTRIES. IF U.S. COMPANIES WANT INTO THIS MARKET THEY HAVE TO MAKE THEMSELVES KNOWN, FIND LOCAL REPRESENTATION, AND SHOW PERIODIC INTEREST. UNFORTUNATELY, HOWEVER, WE ARE UNABLE TO PROVIDE LOTS OF UPBEAT MATERIAL WITH WHICH TO STIR UP INTEREST IN A TRADE MISSION. THE INDUSTRY SHOULD ENJOY SOLID, LONG TERM GROWTH BECAUSE THE MARKET FOR THE END PRODUCTS IS THE MOST ATTRACTIVE WITHIN THE ANDEAN PACT. HENCE, THE PRIVATE SECTOR WILL FILL THE VACUUM LEFT BY ECOPETROL'S DISENGAGEMENT FROM PETRO-CHEMICAL DEVELOPMENTS. THE RAPID GROWTH OF THE TEXTILE INDUSTRY, THE INCREASED USE OF AGRICULTURAL CHEMICALS, AND THE EXPANSION OF THE PLASTICS INDUSTRY ARE CREATING A MARKET FOR SOME PETROCHEMICALS WHICH, ONCE ANDEAN PACT ASSIGNMENTS AND CONTINUITY ARE BELIEVED BY THE INDUSTRY TO BE ASSURED, WILL INDUCE NEW PETROCHEMICAL INVESTMENT AND REACTIVATE POSTPONED PROJECTS. A NUMBER OF POTENTIAL PROJECTS WITHIN THE ANDEAN PACT ASSIGNMENTS ARE ALREADY IN THE PRELIMINARY STUDY STAGE BY GOVERNMENT AND THE PRIVATE SECTOR, INCLUDING PLANTS TO PRODUCE ACRYLIC FIBERS, COLORANTS AND PIGMENTS, MALEIC ACID, CHLORO SODA, AND A PROJECT TO TRANSFORM PHOSPHORIC ROCK.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BOGOTA 01585 181512Z

SANCHEZ

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CHEMICAL INDUSTRY, MARKET OPPORTUNITIES, TRADE VISITS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BOGOTA01585
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770058-1121
Format: TEL
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770233/aaaabdh.h.tel
Line Count: 98
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 62d4a1c5-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 BOGOTA 3432, 76 BOGOTA 12307, 76 BOGOTA A-101
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3300939
Secure: OPEN
Status: NATIVE
Subject: PETROCHEMICAL TRADE MISSION
TAGS: BENC, ENRG, CO, US
To: COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/62d4a1c5-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009